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ABSTRACT

This document contains the text of the Nurse Reinvestment Act, which amends the Public Health Service Act to address the increasing shortage of registered nurses by instituting a series of policies to improve nurse recruitment and nurse retention. Title I details two initiatives to boost recruitment of nurses. The first initiative includes the development and broadcasting of public service announcements and grant-based funding of state and local public service announcements to advertise and promote the nursing profession, highlight the advantages and rewards of nursing, and encourage individuals to enter the nursing profession. The second initiative concerns revision of provisions of the National Nurse Service Corps related to items such as loan repayments, scholarships, eligibility requirements, reporting requirements, and funding. Title II, which presents policies designed to improve nurse retention, consists of provisions related to the following areas: (1) building career ladders and retaining quality nurses through nurse education, practice, and retention grants; (2) funding and developing comprehensive geriatric education; (3) establishing and operating a nurse faculty loan program to increase the number of qualified nursing faculty; and (4) requiring reports by the General Accounting Office to identify local variations in nursing shortages, hiring differences among certain private entities, and the impact of nursing scholarships. (MN)

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ED 468 471

Public Law 107–205
107th Congress

An Act

To amend the Public Health Service Act with respect to health professions programs regarding the field of nursing.

Aug. 1, 2002
[H.R. 3487]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Nurse Reinvestment Act.
42 USC 201 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nurse Reinvestment Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title
Sec. 2. Table of contents.

TITLE I—NURSE RECRUITMENT

Sec. 101. Definitions.
Sec. 102. Public service announcements regarding the nursing profession.
Sec. 103. National Nurse Service Corps.

TITLE II—NURSE RETENTION

Sec. 201. Building career ladders and retaining quality nurses.
Sec. 202. Comprehensive geriatric education.
Sec. 203. Nurse faculty loan program.
Sec. 204. Reports by General Accounting Office.

TITLE I—NURSE RECRUITMENT

SEC. 101. DEFINITIONS.

Section 801 of the Public Health Service Act (42 U.S.C. 296) is amended by adding at the end the following:

"(9) AMBULATORY SURGICAL CENTER.—The term 'ambulatory surgical center' has the meaning applicable to such term under title XVIII of the Social Security Act.

"(10) FEDERALLY QUALIFIED HEALTH CENTER.—The term 'Federally qualified health center' has the meaning given such term under section 1861(aa)(4) of the Social Security Act.

"(11) HEALTH CARE FACILITY.—The term 'health care facility' means an Indian Health Service health center, a Native Hawaiian health center, a hospital, a Federally qualified health center, a rural health clinic, a nursing home, a home health agency, a hospice program, a public health clinic, a State or local department of public health, a skilled nursing facility, an ambulatory surgical center, or any other facility designated by the Secretary.

"(12) HOME HEALTH AGENCY.—The term 'home health agency' has the meaning given such term in section 1861(o) of the Social Security Act.

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"(13) HOSPICE PROGRAM.—The term 'hospice program' has the meaning given such term in section 1861(dd)(2) of the Social Security Act.

"(14) RURAL HEALTH CLINIC.—The term 'rural health clinic' has the meaning given such term in section 1861(aa)(2) of the Social Security Act.

"(15) SKILLED NURSING FACILITY.—The term 'skilled nursing facility' has the meaning given such term in section 1819(a) of the Social Security Act.".

SEC. 102. PUBLIC SERVICE ANNOUNCEMENTS REGARDING THE NURSING PROFESSION.

Title VIII of the Public Health Service Act (42 U.S.C. 296 et seq.) is amended by adding at the end the following:

"PART H—PUBLIC SERVICE ANNOUNCEMENTS

42 USC 297w.

"SEC. 851. PUBLIC SERVICE ANNOUNCEMENTS.

"(a) IN GENERAL.—The Secretary shall develop and issue public service announcements that advertise and promote the nursing profession, highlight the advantages and rewards of nursing, and encourage individuals to enter the nursing profession.

"(b) METHOD.—The public service announcements described in subsection (a) shall be broadcast through appropriate media outlets, including television or radio, in a manner intended to reach as wide and diverse an audience as possible.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.

42 USC 297x.

"SEC. 852. STATE AND LOCAL PUBLIC SERVICE ANNOUNCEMENTS.

"(a) IN GENERAL.—The Secretary may award grants to eligible entities to support State and local advertising campaigns through appropriate media outlets to promote the nursing profession, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

"(b) USE OF FUNDS.—An eligible entity that receives a grant under subsection (a) shall use funds received through such grant to acquire local television and radio time, place advertisements in local newspapers, or post information on billboards or on the Internet in a manner intended to reach as wide and diverse an audience as possible, in order to—

"(1) advertise and promote the nursing profession;

"(2) promote nursing education programs;

"(3) inform the public of financial assistance regarding such education programs;

"(4) highlight individuals in the community who are practicing nursing in order to recruit new nurses; or

"(5) provide any other information to recruit individuals for the nursing profession.

"(c) LIMITATION.—An eligible entity that receives a grant under subsection (a) shall not use funds received through such grant to advertise particular employment opportunities.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.".

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SEC. 103. NATIONAL NURSE SERVICE CORPS.

(a) LOAN REPAYMENT PROGRAM.—Section 846(a) of the Public Health Service Act (42 U.S.C. 297n(a)) is amended—

(1) in paragraph (3), by striking "in an Indian Health Service health center" and all that follows to the semicolon and inserting "at a health care facility with a critical shortage of nurses"; and

(2) by adding at the end the following: "After fiscal year 2007, the Secretary may not, pursuant to any agreement entered into under this subsection, assign a nurse to any private entity unless that entity is nonprofit.".

(b) ESTABLISHMENT OF SCHOLARSHIP PROGRAM.—Section 846 of the Public Health Service Act (42 U.S.C. 297n) is amended—

(1) in the heading for the section, by striking "LOAN REPAYMENT PROGRAM" and inserting "LOAN REPAYMENT AND SCHOLARSHIP PROGRAMS";

(2) by redesignating subsections (d), (f), (g), and (h) as subsections (f), (h), (i), and (g), respectively;

(3) by transferring subsections (f) and (g) (as so redesignated) from their current placements, by inserting subsection (f) after subsection (e), and by inserting subsection (g) after subsection (f) (as so inserted); and

(4) by inserting after subsection (c) the following subsection:

"(d) SCHOLARSHIP PROGRAM.—

"(1) IN GENERAL.—The Secretary shall (for fiscal years 2003 and 2004) and may (for fiscal years thereafter) carry out a program of entering into contracts with eligible individuals under which such individuals agree to serve as nurses for a period of not less than 2 years at a health care facility with a critical shortage of nurses, in consideration of the Federal Government agreeing to provide to the individuals scholarships for attendance at schools of nursing. Contracts.

"(2) ELIGIBLE INDIVIDUALS.—In this subsection, the term 'eligible individual' means an individual who is enrolled or accepted for enrollment as a full-time or part-time student in a school of nursing.

"(3) SERVICE REQUIREMENT.—

"(A) IN GENERAL.—The Secretary may not enter into a contract with an eligible individual under this subsection unless the individual agrees to serve as a nurse at a health care facility with a critical shortage of nurses for a period of full-time service of not less than 2 years, or for a period of part-time service in accordance with subparagraph (B).

"(B) PART-TIME SERVICE.—An individual may complete the period of service described in subparagraph (A) on a part-time basis if the individual has a written agreement that—

"(i) is entered into by the facility and the individual and is approved by the Secretary; and

"(ii) provides that the period of obligated service will be extended so that the aggregate amount of service performed will equal the amount of service that would be performed through a period of full-time service of not less than 2 years.

"(4) APPLICABILITY OF CERTAIN PROVISIONS.—The provisions of subpart III of part D of title III shall, except as inconsistent

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with this section, apply to the program established in paragraph (1) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Scholarship Program established in such subpart.".

(c) PREFERENCE.—Section 846(e) of the Public Health Service Act (42 U.S.C. 297n(e)) is amended by striking "under subsection (a)" and all that follows through the period and inserting "under subsection (a) or (d), the Secretary shall give preference to qualified applicants with the greatest financial need.".

(d) REPORTS.—Subsection (h) of section 846 of the Public Health Service Act (42 U.S.C. 297n) (as redesignated by subsection (b)(2)) is amended to read as follows:

Deadline.

"(h) REPORTS.—Not later than 18 months after the date of enactment of the Nurse Reinvestment Act, and annually thereafter, the Secretary shall prepare and submit to the Congress a report describing the programs carried out under this section, including statements regarding—

"(1) the number of enrollees, scholarships, loan repayments, and grant recipients;

"(2) the number of graduates;

"(3) the amount of scholarship payments and loan repayments made;

"(4) which educational institution the recipients attended;

"(5) the number and placement location of the scholarship and loan repayment recipients at health care facilities with a critical shortage of nurses;

"(6) the default rate and actions required;

"(7) the amount of outstanding default funds of both the scholarship and loan repayment programs;

"(8) to the extent that it can be determined, the reason for the default;

"(9) the demographics of the individuals participating in the scholarship and loan repayment programs;

"(10) justification for the allocation of funds between the scholarship and loan repayment programs; and

"(11) an evaluation of the overall costs and benefits of the programs.".

(e) FUNDING.—Subsection (i) of section 846 of the Public Health Service Act (42 U.S.C. 297n) (as redesignated by subsection (b)(2)) is amended to read as follows:

"(i) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of payments under agreements entered into under subsection (a) or (d), there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2003 through 2007.

"(2) ALLOCATIONS.—Of the amounts appropriated under paragraph (1), the Secretary may, as determined appropriate by the Secretary, allocate amounts between the program under subsection (a) and the program under subsection (d).".

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TITLE II—NURSE RETENTION

SEC. 201. BUILDING CAREER LADDERS AND RETAINING QUALITY NURSES.

Section 831 of the Public Health Service Act (42 U.S.C. 296p) is amended to read as follows:

"SEC. 831. NURSE EDUCATION, PRACTICE, AND RETENTION GRANTS.

"(a) EDUCATION PRIORITY AREAS.—The Secretary may award grants to or enter into contracts with eligible entities for—

"(1) expanding the enrollment in baccalaureate nursing programs;

"(2) developing and implementing internship and residency programs to encourage mentoring and the development of specialties; or

"(3) providing education in new technologies, including distance learning methodologies.

"(b) PRACTICE PRIORITY AREAS.—The Secretary may award grants to or enter into contracts with eligible entities for—

"(1) establishing or expanding nursing practice arrangements in noninstitutional settings to demonstrate methods to improve access to primary health care in medically underserved communities;

"(2) providing care for underserved populations and other high-risk groups such as the elderly, individuals with HIV/AIDS, substance abusers, the homeless, and victims of domestic violence;

"(3) providing managed care, quality improvement, and other skills needed to practice in existing and emerging organized health care systems; or

"(4) developing cultural competencies among nurses.

"(c) RETENTION PRIORITY AREAS.—The Secretary may award grants to and enter into contracts with eligible entities to enhance the nursing workforce by initiating and maintaining nurse retention programs pursuant to paragraph (1) or (2).

"(1) GRANTS FOR CAREER LADDER PROGRAMS.—The Secretary may award grants to and enter into contracts with eligible entities for programs—

"(A) to promote career advancement for nursing personnel in a variety of training settings, cross training or specialty training among diverse population groups, and the advancement of individuals including to become professional nurses, advanced education nurses, licensed practical nurses, certified nurse assistants, and home health aides; and

"(B) to assist individuals in obtaining education and training required to enter the nursing profession and advance within such profession, such as by providing career counseling and mentoring.

"(2) ENHANCING PATIENT CARE DELIVERY SYSTEMS.—

"(A) GRANTS.—The Secretary may award grants to eligible entities to improve the retention of nurses and enhance patient care that is directly related to nursing activities by enhancing collaboration and communication among nurses and other health care professionals, and

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by promoting nurse involvement in the organizational and clinical decisionmaking processes of a health care facility.

"(B) PREFERENCE.—In making awards of grants under this paragraph, the Secretary shall give a preference to applicants that have not previously received an award under this paragraph.

"(C) CONTINUATION OF AN AWARD.—The Secretary shall make continuation of any award under this paragraph beyond the second year of such award contingent on the recipient of such award having demonstrated to the Secretary measurable and substantive improvement in nurse retention or patient care.

"(d) OTHER PRIORITY AREAS.—The Secretary may award grants to or enter into contracts with eligible entities to address other areas that are of high priority to nurse education, practice, and retention, as determined by the Secretary.

"(e) PREFERENCE.—For purposes of any amount of funds appropriated to carry out this section for fiscal year 2003, 2004, or 2005 that is in excess of the amount of funds appropriated to carry out this section for fiscal year 2002, the Secretary shall give preference to awarding grants or entering into contracts under subsections (a)(2) and (c).

Deadline.

"(f) REPORT.—The Secretary shall submit to the Congress before the end of each fiscal year a report on the grants awarded and the contracts entered into under this section. Each such report shall identify the overall number of such grants and contracts and provide an explanation of why each such grant or contract will meet the priority need of the nursing workforce.

"(g) ELIGIBLE ENTITY.—For purposes of this section, the term 'eligible entity' includes a school of nursing, a health care facility, or a partnership of such a school and facility.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.".

SEC. 202. COMPREHENSIVE GERIATRIC EDUCATION.

(a) COMPREHENSIVE GERIATRIC EDUCATION.—Title VIII of the Public Health Service Act (42 U.S.C. 296 et seq.) (as amended by section 102) is amended by adding at the end the following:

"PART I—COMPREHENSIVE GERIATRIC EDUCATION

Grants.
42 USC 298.

"SEC. 855. COMPREHENSIVE GERIATRIC EDUCATION.

"(a) PROGRAM AUTHORIZED.—The Secretary shall award grants to eligible entities to develop and implement, in coordination with programs under section 753, programs and initiatives to train and educate individuals in providing geriatric care for the elderly.

"(b) USE OF FUNDS.—An eligible entity that receives a grant under subsection (a) shall use funds under such grant to—

"(1) provide training to individuals who will provide geriatric care for the elderly;

"(2) develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;

"(3) train faculty members in geriatrics; or

"(4) provide continuing education to individuals who provide geriatric care.

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"(c) APPLICATION.—An eligible entity desiring a grant under subsection (a) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(d) ELIGIBLE ENTITY.—For purposes of this section, the term 'eligible entity' includes a school of nursing, a health care facility, a program leading to certification as a certified nurse assistant, a partnership of such a school and facility, or a partnership of such a program and facility.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.".

(b) TECHNICAL AMENDMENT.—Section 753(a)(1) of the Public Health Service Act (42 U.S.C. 294c) is amended by striking ", and section 853(2)," and inserting ", and section 801(2),".

SEC. 203. NURSE FACULTY LOAN PROGRAM.

Part E of title VIII of the Public Health Service Act (42 U.S.C. 297a et seq.) is amended by inserting after section 846 the following:

"NURSE FACULTY LOAN PROGRAM

"SEC. 846A. (a) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may enter into an agreement with any school of nursing for the establishment and operation of a student loan fund in accordance with this section, to increase the number of qualified nursing faculty. 42 USC 297n–1.

"(b) AGREEMENTS.—Each agreement entered into under subsection (a) shall—

"(1) provide for the establishment of a student loan fund by the school involved;

"(2) provide for deposit in the fund of—

"(A) the Federal capital contributions to the fund;

"(B) an amount equal to not less than one-ninth of such Federal capital contributions, contributed by such school;

"(C) collections of principal and interest on loans made from the fund; and

"(D) any other earnings of the fund;

"(3) provide that the fund will be used only for loans to students of the school in accordance with subsection (c) and for costs of collection of such loans and interest thereon;

"(4) provide that loans may be made from such fund only to students pursuing a full-time course of study or, at the discretion of the Secretary, a part-time course of study in an advanced degree program described in section 811(b); and

"(5) contain such other provisions as are necessary to protect the financial interests of the United States.

"(c) LOAN PROVISIONS.—Loans from any student loan fund established by a school pursuant to an agreement under subsection (a) shall be made to an individual on such terms and conditions as the school may determine, except that—

"(1) such terms and conditions are subject to any conditions, limitations, and requirements prescribed by the Secretary;

"(2) in the case of any individual, the total of the loans for any academic year made by schools of nursing from loan funds established pursuant to agreements under subsection

(a) may not exceed $30,000, plus any amount determined by the Secretary on an annual basis to reflect inflation;

"(3) an amount up to 85 percent of any such loan (plus interest thereon) shall be canceled by the school as follows:

"(A) upon completion by the individual of each of the first, second, and third year of full-time employment, required by the loan agreement entered into under this subsection, as a faculty member in a school of nursing, the school shall cancel 20 percent of the principle of, and the interest on, the amount of such loan unpaid on the first day of such employment; and

"(B) upon completion by the individual of the fourth year of full-time employment, required by the loan agreement entered into under this subsection, as a faculty member in a school of nursing, the school shall cancel 25 percent of the principle of, and the interest on, the amount of such loan unpaid on the first day of such employment;

"(4) such a loan may be used to pay the cost of tuition, fees, books, laboratory expenses, and other reasonable education expenses;

"(5) such a loan shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the 10-year period that begins 9 months after the individual ceases to pursue a course of study at a school of nursing; and

"(6) such a loan shall—

"(A) beginning on the date that is 3 months after the individual ceases to pursue a course of study at a school of nursing, bear interest on the unpaid balance of the loan at the rate of 3 percent per annum; or

"(B) subject to subsection (e), if the school of nursing determines that the individual will not complete such course of study or serve as a faculty member as required under the loan agreement under this subsection, bear interest on the unpaid balance of the loan at the prevailing market rate.

"(d) PAYMENT OF PROPORTIONATE SHARE.—Where all or any part of a loan, or interest, is canceled under this section, the Secretary shall pay to the school an amount equal to the school's proportionate share of the canceled portion, as determined by the Secretary.

"(e) REVIEW BY SECRETARY.—At the request of the individual involved, the Secretary may review any determination by a school of nursing under subsection (c)(6)(B).

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.".

Deadlines.
42 USC 296 note.

SEC. 204. REPORTS BY GENERAL ACCOUNTING OFFICE.

(a) NATIONAL VARIATIONS.—Not later than 4 years after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a survey to determine national variations in the nursing shortage at hospitals, nursing homes, and other health care providers, and submit a report, including recommendations, to the Congress on Federal remedies to ease nursing shortages. The Comptroller General shall submit to the

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Congress this report describing the findings relating to ownership status and associated remedies.

(b) HIRING DIFFERENCES AMONG CERTAIN PRIVATE ENTITIES.—The Comptroller General of the United States shall conduct a study to determine differences in the hiring of nurses by nonprofit private entities as compared to the hiring of nurses by private entities that are not nonprofit. In carrying out the study, the Comptroller General shall determine the effect of the inclusion of private entities that are not nonprofit in the program under section 846 of the Public Health Service Act. Not later than 4 years after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a report describing the findings of the study.

(c) NURSING SCHOLARSHIPS.—The Comptroller General of the United States shall conduct an evaluation of whether the program carried out under section 846(d) of the Public Health Service Act has demonstrably increased the number of applicants to schools of nursing and, not later than 4 years after the date of the enactment of this Act, submit a report to the Congress on the results of such evaluation.

Approved August 1, 2002.

LEGISLATIVE HISTORY—H.R. 3487:

CONGRESSIONAL RECORD:
Vol. 147 (2001): Dec. 19, 20, considered and passed House.
Vol. 148 (2002): July 22, considered and passed Senate, amended. House concurred in Senate amendment.

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